

Mount Wright Iron Mines Company Limited

Annual Report

For the year ended December 31, 1973

MOUNT WRIGHT IRON MINES COMPANY LIMITED

Officers

President R. C. STANLEY, JR.
Vice-President P. A. ALLEN
Secretary-Treasurer IAN T. H. HAMILTON
Vice-President - Mining D. M. GIACHINO

Directors

J. C. L. ALLEN	I. T. H. HAMILTON
P. A. ALLEN	R. C. STANLEY, JR.
D. C. WEBSTER	

Transfer Agent

CANADA PERMANENT TRUST COMPANY
Toronto, Ontario

Auditors

THORNE GUNN & CO.
Toronto, Ontario

Head Office

Suite 1900, 101 Richmond Street West, Toronto, Ontario

MOUNT WRIGHT IRON MINES COMPANY LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET — DECEMBER 31, 1973 (with comparative figures at December 31, 1972)

ASSETS		1973	1972
CURRENT ASSETS			
Cash		\$ 962	\$ 5,777
Marketable securities, at cost (quoted market value 1973, \$30,000; 1972, \$29,500)		31,122	31,122
		<u>32,084</u>	<u>36,899</u>
MINING PROPERTIES AND CLAIMS			
Mount Wright Area, Quebec, at the value placed on 1,000,000 shares issued therefor plus \$4,600 cash (note 1)		304,600	304,600
OTHER ASSETS AND DEFERRED EXPENDITURES			
Exploration and administrative expenditures deferred (note 1)		566,419	559,141
Other, at nominal value		4	4
		<u>566,423</u>	<u>559,145</u>
		<u>\$ 903,107</u>	<u>\$ 900,644</u>
LIABILITIES			
CURRENT LIABILITIES			
Payable to associated company		\$ 1,550	
6% subordinated loan payable to associated company			\$ 15,450
		<u>1,550</u>	<u>15,450</u>
LONG TERM DEBT			
6% subordinated debenture (note 2)		16,363	
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (note 2)			
Authorized — 7,500,000 shares of \$1 each			
Issued — 4,880,000 shares		4,880,000	4,880,000
Less discount on shares		2,990,769	2,990,769
		<u>1,889,231</u>	<u>1,889,231</u>
CONTRIBUTED SURPLUS, arising from reduction of capital stock in 1958		1,367,195	1,367,195
		<u>3,256,426</u>	<u>3,256,426</u>
DEFICIT		2,371,232	2,371,232
		<u>885,194</u>	<u>885,194</u>
		<u>\$ 903,107</u>	<u>\$ 900,644</u>

Approved by the Board

P. A. Allen, Director

D. C. Webster, Director

AUDITORS' REPORT

To the Shareholders of Mount Wright Iron Mines Company Limited

We have examined the balance sheet of Mount Wright Iron Mines Company Limited as at December 31, 1973 and the statements of exploration and administrative expenditures deferred and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada
January 7, 1974

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.

Chartered Accountants

MOUNT WRIGHT IRON MINES COMPANY LIMITED

STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED

YEAR ENDED DECEMBER 31, 1973
(with comparative figures for 1972)

Administrative	1973	1972
Meetings and reports	\$ 2,034	\$ 3,327
Share issue and stock exchange listing expense	4,593	4,569
Interest expense on subordinated liability	914	450
Legal and audit	1,010	425
Sundry	127	182
	<u>8,678</u>	<u>8,953</u>
Deduct interest and dividends	1,400	1,327
Expenditures (net) for the year	7,278	7,626
Balance deferred at beginning of year	559,141	551,515
Balance deferred at end of year	<u>\$ 566,419</u>	<u>\$ 559,141</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED DECEMBER 31, 1973
(with comparative figures for 1972)

Source of funds	1973	1972
6% subordinated debenture	\$ 16,363	Nil
Application of funds		
Administrative expenditures (net) for the year	7,278	\$ 7,626
Increase (decrease) in working capital	9,085	(7,626)
Working capital at beginning of year	21,449	29,075
Working capital at end of year	<u>\$ 30,534</u>	<u>\$ 21,449</u>

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1973

1. RECOVERY OF COSTS

The recovery of costs of mining properties and claims and exploration and administrative expenditures deferred is dependent upon obtaining adequate financing and developing a sufficient quantity of ore of economic value.

2. SUBORDINATED DEBENTURE

The subordinated debenture is payable to an associated company at any time after July 4, 1978 but is not callable prior thereto. At the option of the holder it is convertible at any time after July 5, 1974 into 61,800 shares of the capital stock of the company. The company has the right to prepay the debenture at any time prior to maturity without notice or bonus to the extent that its working capital is not reduced below \$75,000.